

**HOUSING AUTHORITY OF THE
CITY OF VILLE PLATTE**

Financial Report
Year Ended June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Housing Authority of the City of Ville Platte
Ville Platte, Louisiana

We have audited the accompanying financial statements of the business type activities of the Housing Authority of the City of Ville Platte, as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities of the Housing Authority of the City of Ville Platte, as of June 30, 2008, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance, with Government Auditing Standards, we have also issued our report dated December 8, 2008, on our consideration of the Housing Authority of the City of Ville Platte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

The Housing Authority of the City of Ville Platte has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Ville Platte's financial statements. The accompanying Financial Data Schedules (FDS) and supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Revised Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements of the Housing Authority of the City of Ville Platte. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 8, 2008

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Statement of Net Assets
June 30, 2008

ASSETS

Current assets:	
Cash	\$ 540,038
Receivables	
Accounts	5,798
Other	7,345
Prepaid expenses	<u>44,581</u>
Total current assets	597,762
Restricted assets:	
Cash - tenant deposits	1,004
Property and equipment, net	<u>5,357,782</u>
Total assets	<u>\$ 5,956,548</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 22,702
Accrued expenses	17,539
Compensated absences payable	8,645
Tenant security deposits	27,200
Deferred revenue	<u>53,980</u>
Total current liabilities	130,066
Noncurrent liabilities:	
Compensated absences payable	<u>27,537</u>
Total liabilities	<u>157,603</u>
Net assets:	
Invested in capital assets	5,357,782
Unrestricted	<u>441,163</u>
Total net assets	<u>5,798,945</u>
Total liabilities and net assets	<u>\$ 5,956,548</u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Statements of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2008

Operating revenues	<u>\$ 1,064,464</u>
Expenses:	
Administrative	273,431
Tenant services	4,497
Depreciation	224,591
Operating and maintenance	452,819
General expenses	113,812
Utilities	<u>229,342</u>
Total expenses	<u>1,298,492</u>
Operating loss	<u>(234,028)</u>
Non-operating revenues:	
Interest income	9,389
Other	1,919
Gain/loss on sale of fixed assets	<u>2,178</u>
Total non-operating revenues	<u>13,486</u>
Loss before contributions	(220,542)
Capital contributions	<u>247,666</u>
Change in net assets	27,124
Net assets, beginning of year	<u>5,771,821</u>
Net assets, end of year	<u>\$ 5,798,945</u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Statement of Cash Flows Year Ended June 30, 2008

OPERATING ACTIVITIES

Rents and other fees collected from tenants	\$ 387,460
Operating subsidy received	677,004
Paid to suppliers and employees	<u>(1,018,432)</u>
Net cash provided by operating activities	<u>46,032</u>

CAPITAL AND RELATED FINANCING ACTIVITIES

Grant proceeds	247,666
Change in meter deposits	(776)
Purchase/Construction of capital assets	(250,087)
Other receipts	<u>1,919</u>
Net cash used by capital and related financing activities	<u>(1,278)</u>

INVESTING ACTIVITIES

Interest income	<u>9,389</u>
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Net increase in cash	54,143
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Cash and restricted cash, beginning	<u>486,899</u>
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Cash and restricted cash, ending	<u>\$ 541,042</u>
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Reconciliation of loss from operations to net cash provided by operating activities:

Loss from operations	\$ (234,028)
Adjustments to reconcile increase in net assets to net cash provided by operating activities -	
Depreciation	224,591
Increase or decrease in:	
Accounts receivable	2,016
Other receivables	1,847
Prepaid expenses	1,844
Accounts payable	(5,758)
Accrued expenses	3,693
Accrued compensated absences payable	6,178
Deferred revenue	43,471
Gain on sale of assets	<u>2,178</u>
Net cash provided by operating activities	<u>\$ 46,032</u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Organization and Operations

The Housing Authority of the City of Ville Platte (the Authority) is a municipal corporation located in Ville Platte, Louisiana and was established under the provisions of LSA-RS 40:381 et seq for the purpose of providing decent, safe and sanitary housing for persons of low income.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of the City of Ville Platte. Each member serves a four-year staggered term. An Executive Director is appointed by the Board and is responsible for the daily operations of the Authority.

The Authority owns, operates and maintains 218 units of public housing. The Authority administers an annual contributions contract to provide low income housing with the primary financial support from the United States Department of Housing and Urban Development (HUD). Revenues of the Authority consist primarily of rents and other fees collected from tenants, and an operating subsidy from HUD.

B. Reporting Entity

Generally accepted accounting principles require that the financial statements present the accounts and operations of the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations and data from these units, if any, are combined with data of the Authority. Each discretely presented component unit, if any, would be reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Authority. As of June 30, 2008, and for the fiscal year then ended, the Authority had no discretely presented component units or any component units required to be blended in these financial statements.

C. Basis of Accounting and Measurement Focus

The Authority's financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Notes to Basic Financial Statements (Continued)

All activities of the Authority are accounted for within proprietary (enterprise) funds. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are rents collected from tenants and subsidies provided by federal agencies. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets and unrestricted components. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from such estimates.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits having a maturity of three months or less when purchased.

F. Allowance for Doubtful Accounts

An allowance for doubtful accounts in the amount of \$2,766 for tenant accounts receivable was established by management at June 30, 2008 and is included in the accounts receivable balance.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Notes to Basic Financial Statements (Continued)

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses consist primarily of prepaid insurance.

H. Fixed Assets and Depreciation

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the assets. The Authority has adopted a policy which requires the capitalization of all asset purchases of \$1,000 or greater.

Depreciation of all exhaustible fixed assets used by enterprise funds is charged as an expense against operations; and accumulated depreciation is reported on the balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	40 years
Equipment	5-7 years

The recognition of depreciation begins upon placement of the asset into useful operation.

I. Compensated Absences

Employees earn annual leave based upon years of service, and may accrue up to 300 hours. Sick time is earned but not accrued since it is dependent upon a future event. Upon termination, all accrued annual leave is paid.

(2) Cash and Interest-bearing deposits

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2008, the Authority had cash and interest-bearing deposits (book balances) totaling \$541,042.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Authority's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. The Authority does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Notes to Basic Financial Statements (Continued)

The following is a summary of deposit balances (bank balances) at June 30, 2008, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 577,469</u>
Federal deposit insurance	\$ 340,047
Pledged securities (category 3)	<u>237,422</u>
Total	<u>\$ 577,469</u>

Pledged securities in the amount of \$237,422 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Authority's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

(3) Receivables

At June 30, 2008, receivables consisted of the following:

	Low Rent
Accounts	\$ 5,798
Interest	681
Other	<u>6,664</u>
Total	<u>\$13,143</u>

(4) Property and Equipment

A summary of property and equipment at June 30, 2008, follows:

	<u>7/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2008</u>
Land	\$ 492,264	\$ -	\$ -	\$ 492,264
Buildings	6,232,855	-	-	6,232,855
Improvements	2,394,242	264,256	-	2,658,498
Dwelling equipment	20,557	-	-	20,557
Nondwelling equipment	206,727	2,420	16,660	192,487
Construction in progress	<u>16,590</u>	<u>-</u>	<u>16,590</u>	<u>-</u>
Total	<u>\$ 9,363,235</u>	<u>\$ 266,676</u>	<u>\$ 33,250</u>	<u>\$ 9,596,661</u>
Accumulated depreciation	<u>\$ 4,030,948</u>	<u>\$ 224,591</u>	<u>\$ 16,660</u>	<u>\$ 4,238,879</u>

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Notes to Basic Financial Statements (Continued)

(5) Accrued Expenses

Accrued expenses, at June 30, 2008, consisted of the following:

	Low Rent
Pilot payable	\$ 12,632
Payroll taxes payable	4,907
Total	<u>\$ 17,539</u>

(6) Changes in Compensated Absences

The following is a summary of changes in compensated absences for the year ended June 30, 2008. The amount due in one year is estimated to be \$\$8,645.

Balance at June 30, 2007	\$ 30,004
Additions	8,655
Deletions	<u>(2,477)</u>
Balance at June 30, 2008	<u>\$ 36,182</u>

(7) Simplified Employee Pension

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush and Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8.5% of each participant's basic (excludes overtime) compensation. Employees are required to contribute 5.5% of their annual covered salary.

The Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Authority. Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The Housing Authority's contribution for the year ended June 30, 2008, amounted to \$21,019, equal to the required contribution for the year.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Notes to Basic Financial Statements (Continued)

(8) Risk Management

The Housing Authority of the City of Ville Platte is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(9) Current Vulnerability Due to Certain Concentrations

The Authority's major asset is a 218 unit public housing complex. The Authority's operations are concentrated in the multifamily real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including additional administrative burden, to comply with such changes.

(10) Contingencies

The Authority participates in a number of federally assisted grant programs and is subject to compliance audits under the single audit approach. Such audits could lead to request for reimbursement by the grantor agencies for expenses disallowed under the terms of the grants. The Authority's management believes that the extent of such disallowance, if any, which may arise will not be material.

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Combining Schedule of Net Assets Year Ended June 30, 2008

	Low Rent	Capital Fund Program	Eliminations	Total
Current assets:				
Cash	\$ 506,781	\$ 33,257	\$ -	\$ 540,038
Receivables				
Accounts	5,798	-	-	5,798
Other	7,345	-	-	7,345
Due from other governmental units	-	-	-	-
Prepaid expenses	44,581	-	-	44,581
Interprogram due from	-	-	-	-
Total current assets	<u>564,505</u>	<u>33,257</u>	<u>-</u>	<u>597,762</u>
Restricted assets:				
Cash - tenant deposits	<u>1,004</u>	<u>-</u>	<u>-</u>	<u>1,004</u>
Property and equipment:				
Land	492,264	-	-	492,264
Buildings	6,232,855	-	-	6,232,855
Dwelling equipment	20,557	-	-	20,557
Nondwelling equipment	192,487	-	-	192,487
Improvements	<u>2,410,832</u>	<u>247,666</u>	<u>-</u>	<u>2,658,498</u>
Total fixed assets	9,348,995	247,666	-	9,596,661
Less: accumulated depreciation	<u>4,238,879</u>	<u>-</u>	<u>-</u>	<u>4,238,879</u>
Net fixed assets	<u>5,110,116</u>	<u>247,666</u>	<u>-</u>	<u>5,357,782</u>
Total assets	<u>\$5,675,625</u>	<u>\$280,923</u>	<u>\$ -</u>	<u>\$5,956,548</u>
Current liabilities:				
Accounts payable	\$ 22,702	\$ -	\$ -	\$ 22,702
Accrued expenses	17,539	-	-	17,539
Compensated absences payable	8,645	-	-	8,645
Tenant security deposits	27,200	-	-	27,200
Deferred revenue	20,723	33,257	-	53,980
Interprogram due to	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	96,809	33,257	-	130,066
Noncurrent liabilities:				
Compensated absences payable	<u>27,537</u>	<u>-</u>	<u>-</u>	<u>27,537</u>
Total liabilities	<u>124,346</u>	<u>33,257</u>	<u>-</u>	<u>157,603</u>
Net assets:				
Invested in capital assets	5,110,116	247,666	-	5,357,782
Unrestricted	<u>441,163</u>	<u>-</u>	<u>-</u>	<u>441,163</u>
Total net assets	<u>5,551,279</u>	<u>247,666</u>	<u>-</u>	<u>5,798,945</u>
Total liabilities and net assets	<u>\$5,675,625</u>	<u>\$280,923</u>	<u>\$ -</u>	<u>\$5,956,548</u>

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Combining Schedule Revenues, Expenses and Changes in Net Assets
June 30, 2008

	Low Rent	Capital Fund Program	Total
Operating revenues:			
Tenant -			
Rental	\$ 316,095	\$ -	\$ 316,095
Other	71,365	-	71,365
HUD operating grants	641,501	35,503	677,004
Total operating revenues	<u>1,028,961</u>	<u>35,503</u>	<u>1,064,464</u>
Expenses:			
Administrative -			
Auditing fees	9,700	-	9,700
Accounting fees	5,745	-	5,745
Legal fees	3,325	-	3,325
Conventions and meetings	12,266	-	12,266
Miscellaneous	5,716	-	5,716
Office	34,611	7,518	42,129
Per diem	11,600	-	11,600
Salaries and benefits	182,950	-	182,950
Total administrative expenses	<u>265,913</u>	<u>7,518</u>	<u>273,431</u>
Tenant services -			
Salaries	815	-	815
Other	3,682	-	3,682
Total tenant services	<u>4,497</u>	<u>-</u>	<u>4,497</u>
Depreciation	<u>222,940</u>	<u>1,651</u>	<u>224,591</u>
Operating and maintenance -			
Contract costs	22,373	-	22,373
Salaries and benefits	306,124	18,719	324,843
Maintenance and supplies	64,702	7,069	71,771
Protective services	33,832	-	33,832
Total operating and maintenance expenses	<u>427,031</u>	<u>25,788</u>	<u>452,819</u>
General expenses -			
Property and liability insurance	86,451	-	86,451
Payments in lieu of taxes	12,632	-	12,632
Collection losses	14,729	-	14,729
Total general expenses	<u>113,812</u>	<u>-</u>	<u>113,812</u>
Utilities -			
Electricity	14,326	-	14,326
Sewer	37,935	-	37,935
Telephone	8,460	-	8,460
Gas	114,924	-	114,924
Water	53,697	-	53,697
Total utilities expenses	<u>229,342</u>	<u>-</u>	<u>229,342</u>
Total expenses	<u>1,263,535</u>	<u>34,957</u>	<u>1,298,492</u>
Operating income (loss)	<u>(234,574)</u>	<u>546</u>	<u>(234,028)</u>

(continued)

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Combining Schedule Revenues, Expenses and Changes in Net Assets (continued)
Year Ended June 30, 2008

	Low Rent	Capital Fund Program	Total
Non-operating revenues:			
Interest income	9,389	-	9,389
Other	1,919	-	1,919
Gain/loss on sale of fixed assets	2,178	-	2,178
Total non-operating revenues	<u>13,486</u>	<u>-</u>	<u>13,486</u>
Income (loss) before contributions	(221,088)	546	(220,542)
Capital contributions	<u>-</u>	<u>247,666</u>	<u>247,666</u>
Change in net assets	(221,088)	248,212	27,124
Net assets, beginning of year	5,717,065	54,756	5,771,821
Residual equity transfer	<u>55,302</u>	<u>(55,302)</u>	<u>-</u>
Net assets, end of year	<u>\$ 5,551,279</u>	<u>\$ 247,666</u>	<u>\$ 5,798,945</u>

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Schedule of Expenditures of Federal Awards Year Ended June 30, 2008

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract/ Grant Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development:</u>			
Direct Programs:			
Public and Indian Housing	14.850	LA030-001-07J	\$ 641,501
Public Housing Capital Fund	14.872	LA48P030501-03	1,648
		LA48P030501-05	203,948
		LA48P030501-06	<u>77,573</u>
			<u>\$ 924,670</u>

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Notes to Expenditures of Federal Awards
Year Ended June 30, 2008

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Housing Authority of the City of Ville Platte and is presented on the accrual basis of accounting.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Schedule of Public Housing Capital Fund Costs Year Ended June 30, 2008

	Grant/Contract Number				Total
	LA48P030501-03	LA48P030501-05	LA48P030501-06	LA48P030501-07	
Funds approved	<u>\$ 331,572</u>	<u>\$ 356,759</u>	<u>\$ 324,901</u>	<u>\$ 33,257</u>	<u>\$ 1,046,489</u>
Funds expended					
Prior years	329,924	126,643	60,126	-	516,693
Currently	<u>1,648</u>	<u>203,949</u>	<u>77,572</u>	<u>-</u>	<u>283,169</u>
Total funds expended	<u>331,572</u>	<u>330,592</u>	<u>137,698</u>	<u>-</u>	<u>799,862</u>
Excess funds approved	<u>\$ -</u>	<u>\$ 26,167</u>	<u>\$ 187,203</u>	<u>\$ 33,257</u>	<u>\$ 246,627</u>
Funds advanced	<u>\$ 331,572</u>	<u>\$ 330,592</u>	<u>\$ 137,698</u>	<u>\$ 33,257</u>	<u>\$ 833,119</u>
Funds expended	<u>331,572</u>	<u>330,592</u>	<u>137,698</u>	<u>-</u>	<u>799,862</u>
Excess funds advanced/ due from HUD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,257</u>	<u>\$ 33,257</u>

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Financial Data Schedule - Balance Sheet
June 30, 2008

Line Item No.	Description	
111	Cash-unrestricted	\$ 484,664
112	Cash-restricted-modernization and development	55,374
114	Cash - tenant security deposits	1,004
100	Total cash	541,042
125-050	Accounts receivable - miscellaneous - Other	6,664
125	Account receivable - miscellaneous	6,664
126	Accounts receivable- tenants	8,564
126.1	Allowance for doubtful accounts - tenants	(2,766)
129	Accrued interest receivable	681
120	Total receivables, net of allowances for doubtful accounts	13,143
142	Prepaid expenses and other assets	44,581
150	Total Current Assets	598,766
161	Land	492,264
162	Buildings	6,232,855
163	Furniture, equipment & machinery - dwellings	20,557
164	Furniture, equipment & machinery - administration	192,487
165	Leasehold improvements	2,394,242
166	Accumulated depreciation	(4,238,879)
168	Infrastructure	264,256
160	Total capital assets, net of accumulated depreciation	5,357,782
190	Total Assets	5,956,548
312	Accounts payable < 90 days	22,702
321	Accrued wages/payroll taxes payable	4,907
322	Accrued compensated absences - current portion	8,645
333	Accounts payable - other government	12,632
341	Tenant security deposits	27,200
342-020	Deferred revenue - Capital fund	33,257
342-030	Deferred revenue - Other	20,723
342	Deferred revenue	53,980
310	Total Current Liabilities	130,066
354	Accrued compensated absences - Non-current	27,537
350	Total Non-current liabilities	27,537
300	Total Liabilities	157,603
508.1	Invested in capital assets, net of related debt	5,357,782
512.1	Unrestricted Net Assets	441,163
513	Total Equity/Net Assets	5,798,945
600	Total Liabilities and Equity/Net assets	\$5,956,548

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Financial Data Schedule - Revenues and Expenses
Year Ended June 30, 2008

Line Item No.	Description	
70300	Net tenant rental revenue	316,095
70400	Tenant revenue - other	71,365
70500	Total Tenant Revenue	387,460
70600	HUD PHA operating grants	677,004
70610	Capital Grants	247,666
70800	Other government grants	-
71100	Investment income - unrestricted	9,389
71500	Other revenue	1,919
71600	Gain/loss on sale of fixed assets	2,178
70000	Total Revenue	1,325,616
91100	Administrative salaries	130,392
91200	Auditing fees	9,700
91400	Advertising and Marketing	1,425
91500	Employee benefit contributions- administrative	46,379
91600	Office Expenses	12,568
91700	Legal Expense	3,325
91800	Travel	7,913
91900	Other	64,399
91000	Total Operating-Administrative	276,101
92100	Tenant services - salaries	815
92400	Tenant services - other	3,682
92500	Total Tenant Services	4,497
93100	Water	53,697
93200	Electricity	14,326
93300	Gas	114,924
93600	Sewer	37,935
93000	Total Utilities	220,882
94100	Ordinary maintenance and operations - labor	239,112
94200	Ordinary maintenance and operations - materials & other	70,371
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	22,373
94500	Employee benefit contributions- ordinary maintenance	85,731
94000	Total Maintenance	417,587
95100	Protective services - labor	25,399
95500	Employee benefit contribution - ordinary maintenance	8,433
95000	Total Protective Services	33,832
96110	Property Insurance	58,632
96120	Liability Insurance	4,948
96130	Workmen's Compensation	10,393
96140	All Other Insurance	12,478
96100	Total Insurance Premiums	86,451

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Financial Data Schedule - Revenues and Expenses Year Ended June 30, 2008

Line Item No.	Description	
96200	Other general expenses	1,919
96210	Compensated absences	6,179
96300	Payments in lieu of taxes	12,632
96400	Bad debt - tenant rents	12,421
96000	Total Other General Expenses	33,151
96900	Total Operating Expenses	1,072,501
97000	Excess Revenue Over Operating Expenses	253,115
97100	Extraordinary maintenance	1,400
97400	Depreciation expense	224,591
90000	Total Expenses	1,298,492
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	27,124
11030	Beginning equity	5,771,821
11190	Unit Months Available	2,616
11210	Unit Months Leased	2,420

**REPORTS AND SCHEDULES REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners
Housing Authority of the City of Ville Platte
Ville Platte, Louisiana

We have audited the financial statements of the business type activities of the Housing Authority of the City of Ville Platte (the "Authority"), as of and for the year ended June 30, 2008, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 8, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider deficiency 08-1(IC) described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 08-2(C).

We noted other matters that we reported to management of the Authority in a separate letter dated December 8, 2008.

The Housing Authority of the City of Ville Platte's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 8, 2008

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Commissioners
Housing Authority of the City of Ville Platte
Ville Platte, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Ville Platte, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 08-3(C).

Internal Control Over Compliance

The management of the Housing Authority of the City of Ville Platte is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 08-1(IC) to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The Housing Authority of the City of Ville Platte's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We did not audit the Authority's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 8, 2008

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Part I. Summary of Auditor's Results:

1. An unqualified opinion was issued on the financial statements.
2. A significant deficiency was disclosed during the audit of the financial statements. The deficiency is not considered a material weakness.
3. One instance of noncompliance was disclosed by the audit of the financial statements.
4. A significant deficiency in internal control over the major program was disclosed during the audit. The condition is not reported as a material weakness.
5. An unqualified opinion was issued on compliance for the major program.
6. Audit findings that are required to be reported under Section 510(a) of Circular A-133 are reported in this schedule.
7. The major program was Public and Indian Housing Program; received directly from the United States Department of Housing and Urban Development (CFDA No. 14.850).
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings – Financial Statements Audit

A. Compliance Findings –

See compliance finding 08-2(C) in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

B. Internal Control Findings –

See internal control finding 08-1(IC) in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

(Continued)

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2008

Part III. Findings and Questioned costs – Major Federal Award Programs Audit

Department of Housing and Urban Development- Public and Indian Housing Program –

08-1(IC) Travel expenses:

- A. Condition: Testing of travel expenses show that travel expenses are not being properly documented. Per diem is paid without supporting documentation of the nature of the trip, duration of the trip, as well as mileage or hotel expenses.
- B. Criteria: Internal controls should be in place to ensure that all expenses incurred by the Housing Authority are allowable and supported by the proper documentation.
- C. Effect: Because expenses were either unallowable and/or did not contain the proper supporting documentation, the expense may result in the Housing Authority refunding the amount of the expenses to the Department of Housing and Urban Development.
- D. Recommendation: Procedures should be implemented to ensure that travel expenses are properly approved, are for legitimate business purposes, and are properly documented

08-3(C) Questioned costs:

- A. Condition: Known questioned costs in the amount of \$4,098 were disclosed.
- B. Criteria: Eligible expenses must meet the requirements of OMB Circular A-87.
- C. Effect: Expenses were paid with federal funds that did not meet the criteria of OMB Circular A-87 and therefore may be disallowed.
- D. Recommendation: Expenses incurred under the Public and Indian Housing Program should have the necessary supporting documentation and should be only for expenses which are considered allowable.

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan Year Ended June 30, 2008

Ref. No.	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
<u>CURRENT YEAR (6/30/08)</u>					
<u>Internal Control:</u>					
08-1(IC)	Travel expenses are not being properly documented. Per diem is paid without supporting documentation of the nature of the trip, duration of the trip, as well as mileage or hotel expenses.	No	Appropriate written policies and procedures will be established to ensure that travel expenses are properly approved, are for legitimate business purposes, and are properly documented.	Grant Soileau, Director	Immediately
<u>Compliance</u>					
08-2(C)	Workers who did not meet the definition of contract laborers were paid contract labor. These workers were hired in an employee capacity.	No	Workers who do not meet the definition of contract labor will be paid employee wages.	Grant Soileau, Director	Immediately
08-3(C)	Total expenses in the amount of \$4,098 were either unallowable or did not contain the documentation necessary as required by OMB Circular A-87.	No	The Housing Authority will only incur expenses that are necessary and allowable as per OMB Circular A-87 and the Department of Housing and Urban Development.	Grant Soileau, Director	Immediately
<u>PRIOR YEAR (6/30/07)</u>					
<u>Internal Control:</u>					
07-1(IC)	Travel expenses are not being properly documented. Per diem is paid without supporting documentation of the nature of the trip, duration of the trip, as well as mileage or hotel expenses.	No	Appropriate written policies and procedures will be established to ensure that travel expenses are properly approved, are for legitimate business purposes, and are properly documented.	Grant Soileau, Director	Immediately

(continued)

HOUSING AUTHORITY OF THE CITY OF VILLE PLATTE

Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan (continued) Year Ended June 30, 2008

Ref. No.	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
<u>PRIOR YEAR (6/30/07) (continued)</u>					
<u>Compliance:</u>					
07-2(C)	Total expenses in the amount of \$3,728 were either unallowable or did not contain the documentation necessary as required by OMB Circular A-87.	No	The Housing Authority will only incur expenses that are necessary and allowable as per OMB Circular A-87 and the Department of Housing and Urban Development.	Grant Soileau, Director	Immediately

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MANAGEMENT LETTER

The Board of Commissioners
Housing Authority of the City of Ville Platte
Ville Platte, Louisiana

We have completed our audit of the financial statements of the Housing Authority of the City of Ville Platte for the year ended June 30, 2008, and report the following immaterial instance of non-compliance:

- The audit report for the year ended June 30, 2008 was not issued within the six month requirement.

In conclusion, we would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our suggestions, please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 8, 2008